



Audit Committee

26 June 2014

10.00 am

**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 27 MARCH 2014
10.00 AM - 12.05 PM**

Responsible Officer: Liz Sidaway
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Present

Councillor Brian Williams (Chairman)
Councillors Michael Wood (Vice Chairman), John Cadwallader and Chris Mellings

74 Apologies for Absence / Notification of Substitutes

74.1 Apologies were tendered from Councillor Mansel Williams.

75 Disclosable Pecuniary Interests

75.1 The Chairman reminded members that they must not participate in the discussion or vote on any matter in which they had a disclosable pecuniary interest and that they should leave the room prior to the commencement of the debate.

76 Minutes of the previous meeting held on the 13 February 2014

76.1 RESOLVED:

That the Minutes of the meeting held on the 13 February 2014 be approved and signed by the Chairman as a correct record.

77 Public Questions

77.1 There were no public questions.

78 Chairman's Remarks

78.1 The Chairman reported that the Group Auditor, Kathy Hall would be leaving the Council on the 31 March 2014. He paid tribute to all the hard work and support she had contributed to the Audit Team and wished her a very happy future.

79 National Fraud Initiative 2012/13

79.1 The Committee considered the report of the Audit Services Manager - copy attached - giving an overview of the outcomes arising from the Audit Committee's National Fraud Initiative. She reported that £101,929.43 worth of estimated financial savings had been identified following the Initiative with the largest part relating to housing benefit fraud and confirmed that investigations were ongoing.

79.2 RESOLVED:

That the position as set out in the report of the Audit Services Manager be noted and accepted.

80 Current and Aged Debtors Update

80.1 The Committee considered the report of the Head of Financial Management and Reporting – copy attached to the signed Minutes – which gave details of the levels of aged debt held within the Council's accounts and the action being taken for recovery of these debts.

80.2 The Head of Finance, Governance and Assurance (Section 151) highlighted the progress made in the reduction of aged debt 'requiring investigation' and 'requiring further action' falling by £1.562m to £3.699m over the last six months. Members noted that bailiff services would be used by the Council to supplement the debt recovery in future.

80.3 RESOLVED:

That the contents of the report be endorsed and accepted.

81 Council Tax and Non Domestic Rates Performance Monitoring Report

81.1 The Committee considered the report of the Revenues Manager - copy attached to the signed Minutes - which set out performance monitoring information on the collection of Council Tax and National Non Domestic Rates (NNDR) for the year to 28 February 2014.

81.2 During the financial year up to 25 February 2014, 96.8% of Council Tax and 97.3% of NNDR debt had been collected against the Council's target of 98% (by the 31 March 2014). He explained that due to the legislative changes, more people had elected to pay their council tax over twelve months rather than the statutory 10 months which left more debt to be collected in February and March but he was confident the Council target would be met by the end of the financial year.

81.3 RESOLVED:

That the contents of the report be noted.

82 Internal Audit Risk Management Report 2013/14

82.1 The Committee considered the report of the Senior Group Auditor - copy attached to the signed Minutes - which summarised the detailed findings that had been identified in the Internal Audit review of Risk Management.

82.2 The Senior Group Auditor indicated that the overall control environment for the Risk Management system had been assessed as good which was the highest rating that could be given and confirmed that no control weaknesses had been identified.

82.3 RESOLVED:

That the report of the Senior Group Auditor be endorsed and accepted.

83 Draft Audit Committee Annual Work Plan and Future Training Requirements

83.1 Consideration was given to the report of the Audit Service Manager - copy attached to the signed minutes - detailing the Audit Committee's proposed work plan and a future learning and development plan for 2014/15.

83.2 It was agreed that the Chairman and the Audit Services Manager be delegated to confirm the training topics for Committee members over the course of the year.

83.3 RESOLVED:

(a) That the Work Plan for 2014/15 be approved.

(b) That the Action Plan following the Self Assessment of Good Practice be accepted.

(c) That the Audit Services Manager in consultation with the Chairman of the Audit Committee finalise the Learning and Development Plan for 2014/15.

84 Draft Internal Audit Risk Based Plan 2014/15

84.1 The Committee considered the report of the Audit Services Manager - copy attached to the signed minutes - on the draft Internal Audit Plan for 2014/15. She explained that the plan provided audit coverage across the Council's services and also delivered internal audit services for a range of external clients.

84.2 The Audit Service Manager summarised the Audit Plan and confirmed that the Plan could be adjusted during the course of the year as workflow dictated and indicated that this would be undertaken in consultation with the Section 151 Officer if necessary.

84.3 RESOLVED:

That the Internal Audit Plan for 2014/15 be endorsed and approved.

85 External Audit: Audit Committee Update Report

85.1 The External Audit Manager (Grant Thornton) presented the Audit Committee Update for Shropshire Council - copy attached to the signed minutes - which highlighted the progress made on work undertaken during the year and indicated that no major issues had been identified.

85.2 The Head of Finance, Governance and Assurance (Section 151) gave an assurance that the inclusion of the challenge questions did not pose any issues for the Council.

85.3 RESOLVED:

That the contents of the Audit Committee Update Report for Shropshire Council be noted.

86 External Audit: 2013/14 Audit Plan

86.1 Consideration was given to the External Auditor's Annual Report - copy attached to the signed Minutes - which provided an update on the progress of the Audit of the 2013/14 Statement of Accounts and emerging issues and developments.

86.2 RESOLVED:

That the contents of the report by the External Auditor be noted.

87 External Audit: 2013/14 Communicating with the Audit Committee

87.1 Consideration was given to the report of the External Auditor - copy attached to the signed minutes. The Engagement Lead indicated that the report sought to contribute towards the communication between the Council's Audit Committee and the external auditors and also formed part of the risk assessment procedures.

87.2 RESOLVED:

That the contents of the report by the External Auditor be noted.

88 Protecting the Public Purse Fraud Briefing 2013

88.1 Consideration was given to the Protecting the Public Purse Fraud Briefing 2013. The Engagement Lead reported that the Audit Commission had undertaken a national study of fraud in local government the results of which were contained within the report; he reminded members of the Audit Committee of their obligation in the fight against fraud.

88.2 RESOLVED:

That the contents of the Audit Commission's report be noted.

89 Chairman's Concluding Remarks

89.1 The Chairman announced that the Senior Group Auditor would be shortly be retiring from the Council. He paid tribute to Mr Kalinowski's hard work and contribution to the Committee over the many years as a valued member of the Audit Team. The

Chairman and Members of the Committee wished him well for the future and a long and happy retirement.

90 Date and Time of Next Meeting

90.1 The next meeting of the Audit Committee will be held on Thursday, 26 June 2014 at 10.00 am in the Shrewsbury Room.

Signed (Chairman)

Date: